

Christopher Ko CEO, Samsung Bioepis, South Korea



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[biosimilars](#), [innovation](#)

Christopher Ko

was appointed as the Chief Executive Officer of Samsung Bioepis in 2012, then newly founded Korean pharmaceutical company with expertise in biosimilars. In this interview, he discusses the opportunities in Biosimilar markets as well as the potential impact the Samsung brand will bring to the pharmaceutical industry.

As a late player to the biosimilar industry, what were the initial challenges to create this organization with the necessary expertise?

I think we were able to attract the nation's top talent from the very beginning. Of course, we could use the knowledge and experience of the top international talent who had been playing important roles within their respective fields in the biopharmaceutical industry. In such cases, the global brand of Samsung helped us recruit such talent.

How did the idea of Samsung entering the biosimilar market come about?

Biosimilars present a very attractive market opportunity. The small molecule market is too crowded with less opportunity, and the technology differentiation may be hard to find. With biologics, there is still room for innovation where we think we can build on. The patent system is finally opening the door for companies like us to make a contribution in a market that had been largely dominated by a few large players for its entire existence. Considering these circumstances, biosimilars reflect attractive opportunities. Also, we want to provide access to high quality products at affordable prices for patients worldwide. Even in developed countries, price has been one of the biggest constraints for patients. We think that with companies like Samsung Bioepis entering the field, patients will benefit from lower prices and this will eventually benefit the healthcare systems as a whole

Samsung Bioepis is expecting to have its first biosimilar on the market by 2016. What are your expectations in terms of how this drug will perform in the marketplace?

We fully anticipate a market launch in 2016 based on average review time and development status as well as the responsiveness of regulatory agencies. I think this brings us an opportunity as a commercial-minded company to have revenue basis as well as bringing an exciting opportunity for patients.

Could the area of biosimilars become a niche in which Korean pharma companies can excel and lead?

I think it's fair to say that the Korean pharmaceutical industry as a whole was not able to establish its presence in a global setting.

But with biosimilars we can change that. Samsung Bioepis, along with similar local companies, does R&D locally utilizing local staff, and for the first time we will have a full value chain here from beginning to end, establishing a platform for long-term sustainable success. We think that this will become a seed for the pharma industry in Korea, and that the success of biosimilars will generate enthusiasm and sustainability.

What has been the interest in Samsung Bioepis by the international community in terms of partnerships?

I think the Samsung brand was definitely one of the factors that interested many global companies. In any case, we do consider sensible propositions. Many originators tried developing biosimilars on their own but have not been so successful. They might have seen the potential for greater success by working with us rather than alone. It will be exciting to see the perception of the international community once we achieve the complete transition from a development-stage company to a product company.

Do you feel that biosimilars or investments in biopharma by Samsung will become as successful as its electronics counterparts?

It is all relative; the revenue basis of each division is very different. Samsung Electronics's revenue is about \$250 billion, whereas no pharmaceutical company in history has done more than \$100 billion. We do not believe that Samsung Bioepis will be as huge as Samsung Electronics in terms of revenue size, but in terms of future enterprise value of a company and what it represents, there is a lot of enthusiasm regarding biotech. The pharmaceutical industry has benefited from less competition, higher profit margin and better enterprise value. In that sense, Samsung Bioepis is often described by local Korean press as the future for the Samsung Group. I would welcome this, but it is still premature to see if this entity will prove to be the next growth engine of Samsung group in the near future.

It is easy for you to apply the Samsung approach in terms of project management and development to the biopharma industry?

Many have described Samsung as one of the best market followers in history. In order to succeed as a market follower, you must be able to set a goal and get there as quickly as possible with cost effectiveness. If we can do that as a biosimilars manufacturer, we will succeed. Because of the pharmaceutical industry's monopoly on certain drugs, there is no need to innovate. Consequently there are many industry practices that hinder them from moving forward. We are starting new, and as such we can take advantage of practices proven in other sectors.

Where will Samsung Bioepis be in 2020?

We will become a top global company both in terms of revenue and portfolio products we offer in terms of biosimilars, and we will become a real player in the biologics world.

In which direction do you expect the industry to move in general by then?

By 2020, there will be significant consolidation in multinationals and they will effectively become better and larger development and sales & marketing organizations. That gives lots of room for many people to fill the void. In terms of biosimilars there will most certainly be consolidation. There are currently too many local and regional players versus those with an ambition to go global. Over time, requirements for such products above and beyond what regulatory agencies seek will become a hindrance for some smaller companies to overcome. The necessary skills for manufacturing sustainably will become another obstacle. That gives us a bit of a competitive edge as Samsung Bioepis has access to manufacturing facilities; not many Korean companies have this.

What does the Samsung name, how the company adapts, what does it mean in the future as a company that can take on new niches?

We have already benefited greatly. Because of the Samsung brand on our back, we have been able to attract the best talent pools and that is where many other Korean CEOs's biggest nightmare begins; attracting the right people. Additionally, Korea has become a good place to live. Furthermore, we point to the fact that Samsung has a joint venture partnership with Biogen Idec and marketing arrangement with MSD and Biogen Idec. We did not have anything when we announced the foundation of Samsung Bioepis, and the development status of our project was at an early stage. But Biogen Idec saw our potential and our willingness to work hard. They believed our story because Samsung group was behind it, and this has helped in terms of obtaining necessary technology and guidance. The same concept applies to the company's arrangement with MSD. Moving forward, the Samsung brand will continue to place us at the forefront of the competition.

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